



Missouri Department of dnr.mo.gov
NATURAL RESOURCES
Michael L. Parson, Governor Carol S. Comer, Director

January 28, 2020

Mr. Russell L. Crane
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Dear Mr. Crane,

The Missouri Department of Natural Resources has enclosed the information necessary to complete the semi-annual reporting requirement found in paragraph 5.3 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries. The department has collected the data relevant to reporting requirements for the six-month period of July 1, 2019, to December 31, 2019.

Thank you for attention to this matter. If you have any questions regarding this submission, please contact Emily Wilbur, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 751-7840 or email at emily.wilbur@dnr.mo.gov.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Original signed by Darcy A. Bybee

Darcy A. Bybee
Director

DAB:lbc

Enclosure



Environmental Mitigation Trust Agreement for State Beneficiaries:
Semi-Annual Report

Reporting Period:
July 1, 2019 through December 31, 2019

Submitted on January 30, 2020
Missouri Department of Natural Resources

Category 2: Government Owned Medium and Large Trucks: EMA 6, EMA 1

The Department selected Category 2 projects for funding using a ranking system based on NO_x reduction, cost effectiveness, and area of operation. In two application periods, one in April 2019 and one in August 2019, the Department selected the highest scoring projects for funding from three fund pools: St. Louis, Kansas City, and Rest of State. The first of these projects were completed and paid between August and November of 2019, and the rest are expected to be completed in spring of 2020. A project is complete when the new truck has been delivered, the old truck has been disabled, and proof of payment is verified.

Category 3: Transit and Shuttle Buses: EMA 2

The Department selected Category 3 projects for funding using a ranking system based on NO_x reduction, cost effectiveness, and area of operation. In two application periods, one in April 2019 and one in August 2019, the Department selected the highest scoring projects for funding from three fund pools: St. Louis, Kansas City, and Rest of State. The first of these projects submitted a purchase order in July of 2019 with expected vehicle delivery in spring of 2020; the rest of the awarded projects have not yet submitted purchase orders. None of the awarded projects from these application periods have been completed or paid. A project is complete when the new bus has been delivered, the old bus has been disabled, and proof of payment is verified.

Category 4: Nongovernment Owned Medium and Large Trucks: EMA 6, EMA 1

The Department selected Category 4 projects for funding using a ranking system based on NO_x reduction, cost effectiveness, and area of operation. The Department opened an application period in October 2019, and selected the highest scoring projects for funding from three fund pools: St. Louis, Kansas City, Rest of State. Projects not selected as part of one of the three fund pools were ranked and selected from a Statewide pool. The awarded projects have not yet submitted purchase orders and none have been paid or completed. Purchase orders and project completion are expected in spring of 2020. Completion of a project implies that the new vehicle has been delivered, the old vehicle has been disabled, and proof of payment is verified.

Category 5: Locomotive and Marine: EMA 3, EMA 4

The Department selected Category 5 projects for funding using a ranking system based on NO_x reduction, cost effectiveness, and area of operation. This category includes both EMA 3 for switch locomotives and EMA 4 for marine engine repowers; however the air program did not receive any applications for projects falling under EMA 3. The Department opened an application period in October 2019, and selected the highest scoring projects for funding from three fund pools: St. Louis, Kansas City, and Rest of State. The awarded projects have not yet submitted purchase orders and none have been paid or completed. Purchase orders and project completion are expected in spring of 2020. Completion of a project implies that the new vehicle has been delivered, the old vehicle has been disabled, and proof of payment is verified.

Category 6: Airport and Cargo Handling Equipment: EMA 7, EMA 8

The Department selected Category 6 projects for funding using a ranking system based on NO_x reduction, cost effectiveness, and area of operation. This category includes both EMA 7 for airport ground

support equipment and EMA 8 for forklifts and port cargo handling equipment; however the air program did not receive any applications for projects falling under EMA 7. The Department opened an application period in October 2019, and selected the highest scoring projects for funding from three fund pools: St. Louis, Kansas City, and Rest of State. The awarded projects have not yet submitted purchase orders and none have been paid or completed. Purchase orders and project completion are expected in spring of 2020. Completion of a project implies that the new vehicle has been delivered, the old vehicle has been disabled, and proof of payment is verified

Category 7: DERA Option: EMA 10

The Department opened an application period in October 2019, and selected Category 7 projects by lottery, with preference for projects which qualify for DERA grants, but which do not qualify for other Volkswagen Trust Categories. The selected projects include both nonroad equipment replacements and repowers and school bus replacements. The air program is in the process of submitting a D-4 for this category. The awarded projects have not yet submitted purchase orders and none have been paid or completed. Completion of a project implies that the new vehicle has been delivered, the old vehicle has been disabled, and proof of payment is verified.

| Category 2: Government Owned Trucks (Class 4-8) | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost |
|--|----------------------------|-----------------------|----------------------|---------------|------------------|--|-----------------------|---------------------|-----------------------|
| Total: | | \$1,220,630.00 | 13 | diesel | 34 | 39.863 | \$1,445,594.60 | \$404,900.00 | \$4,315,877.90 |
| Medium (Class 4-7) | 50% Cost Share Replacement | \$75,000.00 | 6 | diesel | 14 | 15.685 | \$541,439.10 | \$50,000.00 | \$1,339,972.00 |
| Large (Class 8) | 50% Cost Share Replacement | \$1,145,630.00 | 7 | diesel | 20 | 24.178 | \$904,155.50 | \$354,900.00 | \$2,975,905.90 |

| Category 3: Transit Buses, Shuttle Buses | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost |
|---|----------------------------|-----------------------|----------------------|--------------------------|------------------|--|-----------------------|-------------------|---------------------|
| Total: | | \$0.00 | 4 | CNG, All-Electric | 5 | 33.073 | \$1,001,819.00 | \$0.00 | \$147,638.00 |
| Transit Buses | 50% Cost Share Replacement | | 4 | CNG, All-Electric | 5 | 33.073 | \$1,001,819.00 | \$0.00 | \$147,638.00 |

| Category 4: Nongovernment Owned Trucks (Class 4-8) | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost* |
|---|----------------------------|-----------------------|----------------------|--------------------|------------------|--|-----------------------|-------------------|------------------------|
| Total: | | \$0.00 | 21 | CNG, Diesel | 187 | 632.9265 | \$5,367,090.17 | \$0.00 | \$21,468,360.68 |
| Medium (Class 4-7) | 25% Cost Share Replacement | | 3 | Diesel | 25 | 35.015 | \$454,136.63 | \$0.00 | \$1,816,546.52 |
| Large (Class 8) | 25% Cost Share Replacement | | 18 | CNG, Diesel | 162 | 597.9115 | \$4,912,953.54 | \$0.00 | \$19,651,814.16 |

| Category 5: Locomotive and Marine | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost* |
|-----------------------------------|------------------------|-----------------------|----------------------|---------------|------------------|--|---------------------|-------------------|-----------------------|
| Total: | | \$0.00 | 2 | Diesel | 2 | 193.89 | \$576,306.00 | \$0.00 | \$1,440,765.00 |
| Marine Repowers | 40% Cost Share Repower | | 2 | Diesel | 2 | 193.89 | \$576,306.00 | \$0.00 | \$1,440,765.00 |

| Category 6: Airport and Cargo Equipment | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost* |
|---|----------------------------|-----------------------|----------------------|-----------------|------------------|--|---------------------|-------------------|---------------------|
| Total: | | \$0.00 | 2 | Electric | 3 | 85.364 | \$437,212.00 | \$0.00 | \$874,424.00 |
| Cargo Equipment | 50% Cost Share Replacement | | 2 | Electric | 3 | 85.364 | \$437,212.00 | \$0.00 | \$874,424.00 |

| Category 7: DERA Option | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Projects | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost* |
|-------------------------|--|-----------------------|----------------------|-------------------------|------------------|--|---------------------|-------------------|-----------------------|
| Total: | | \$0.00 | 14 | Diesel, Gasoline | 18 | 40.4205 | \$806,401.50 | \$0.00 | \$3,225,606.00 |
| Nonroad Equipment | | | 5 | Diesel | 9 | 38.093 | \$596,464.00 | \$0.00 | \$2,385,856.00 |
| School Buses | | | 9 | Diesel, Gasoline | 9 | 2.3275 | \$209,937.50 | \$0.00 | \$839,750.00 |

| Department of Corrections (Categories 2 and 3) | | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost |
|---|-------------------------|-----------------------|----------------------|---------------|------------------|--|---------------------|-------------------|-----------------------|
| Total: | | \$342,300.00 | 1 | Diesel | 9 | 3.394 | \$972,021.28 | \$0.00 | \$1,064,684.95 |
| <u>Category 2</u> | Medium (Class 4-7) | | - | Diesel | 1 | 0.02 | \$100,590.00 | \$0.00 | \$88,279.25 |
| | Large (Class 8) | | - | Diesel | 5 | 2.388 | \$529,131.28 | \$0.00 | \$634,105.70 |
| <u>Category 3</u> | Transit and Shuttle Bus | \$342,300.00 | - | Diesel | 3 | 0.986 | \$342,300.00 | \$0.00 | \$342,300.00 |

| Eligible Mitigation Actions | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed | Total Project Cost* |
|-----------------------------|-----------------------|----------------------|--|------------------|--|-----------------------|---------------------|------------------------|
| Total: | \$1,220,630.00 | 52 | Diesel, CNG, Gasoline, All-Electric | 253 | 749.677 | \$9,979,453.05 | \$404,900.00 | \$32,537,356.53 |
| EMA 1 | \$1,145,630.00 | 25 | Diesel, CNG | 187 | 624.4775 | \$6,346,240.32 | \$354,900.00 | \$23,261,825.76 |
| EMA 2 | \$342,300.00 | 4 | Diesel, CNG, All-Electric | 8 | 34.059 | \$1,344,119.00 | \$0.00 | \$489,938.00 |
| EMA 4 | \$0.00 | 2 | Diesel | 2 | 193.89 | \$576,306.00 | \$0.00 | \$1,440,765.00 |
| EMA 6 | \$75,000.00 | 9 | Diesel | 40 | 50.72 | \$1,096,165.73 | \$50,000.00 | \$3,244,797.77 |
| EMA 8 | \$0.00 | 2 | Diesel | 3 | 85.364 | \$437,212.00 | \$0.00 | \$874,424.00 |
| EMA 10 | \$0.00 | 14 | Diesel, Gasoline | 18 | 40.4205 | \$1,192,928.00 | \$0.00 | \$3,225,606.00 |

*Some Total Project Cost values are estimates based on the awarded funding and the category funding percentage.

| <u>Eligible Mitigation Action</u> | <u>Allocation from Trust from July to December 2019</u> | <u>Administrative Costs</u> |
|---------------------------------------|---|---------------------------------|
| EMA 1: | \$33,835.55 | \$8,418.23 |
| EMA 2: | | \$35,757.57 |
| EMA 6: | \$2,625.00 | \$417.41 |
| EMA 10: | | \$0.00 |
| Total: | | \$44,593.21 |

This information is true and correct and the submission is made under penalty of perjury.

Original signed by Darcy A. Bybee

Darcy A. Bybee,
Air Pollution Control Program Director